

Golden Gate Park Music Concourse Garage



Budget & Finance Committee
July 31, 2024



Background – Music Concourse Garage

- The Music Concourse Garage is an 800-space underground parking facility located within Golden Gate Park, serving GGP visitors and institutions, such as the California Academy of Sciences, the De Young Museum, and Gardens of GGP.
- Authorized in June 1988 by Proposition J, where the City set aside land in GGP for the Garage and allowed a ground lease of the land to the Music Concourse Community Partnership (MCCP), a private non-profit, so that the MCCP could construct and operate the garage.
- In November 2022, voters approved Proposition N which authorized the City to use public funds to acquire and operate the Garage.



Operating Plan

- All revenue generated by the Garage will be directed to the City. SFMTA will be reimbursed for their administrative costs associated with overseeing and managing Garage operations.
- Future legislation will include:
 - Resolution from SFMTA to amend the existing IMCO contract to add operation of the Concourse Garage.
 - Supplemental appropriation ordinance from RPD to appropriate the COP proceeds, garage revenues, and debt service expenditures.



Financing Structure

- RPD is proposing to issue debt to pay off all existing construction-related debt allowing the Department to assume ownership of the Garage.
- MCCP possesses a debt service reserve of approximately \$1.1M.
- To fund the acquisition of the Garage, the City will issue Certificates of Participation in an amount not to exceed \$29.0M.

Reserve & Certificate of Participation Uses:

- Outstanding Loan Balance - The remaining principal balance on MCCP's loan plus accrued interest (\$21.6M) to construct the Garage
- Subordinated Debt – Resulting from a 2008 operating shortfall, the DeYoung and Academy have agreed to settle the payment of debt for \$825K each.



Proposed Financing – Sources and Uses

Sources:

Not-to-Exceed Par Amount	29,000,000
Prior Reserve Fund	1,100,000
Total Sources	30,100,000

Uses:

Project Funds

First Republic Debt Payoff	21,600,000
Museum Loan Payoff	500,000
Capitalized Interest	1,000,000
Debt Service Reserve Fund	2,450,000

Delivery Date Expenses

Cost of Issuance	1,050,000
Underwriter's Discount	240,000

Total Projected Uses 26,840,000

Plus: Reserve for Market Uncertainty 3,260,000

Total Uses (including Prior Reserve Fund) 30,100,000



Current Plan of Finance

Estimated Financing Terms

- Final Maturity of April 1, 2049*
- True Interest Cost: 4.67%*
- Financing Costs:\$1.2M*
- Proceeds Less Financing Costs: \$22.0M*
- Total Debt Service: \$42.4M*
- Average Annual Debt Service: \$1.74M*

**Preliminary estimates, subject to change.*

Lease-Lease Back Structure

- COPs are structured as a lease-lease back agreement, in which the City leases City-owned property to a Trustee and then pays to lease back the property
- It is anticipated that the Music Concourse Garage will serve as the leased property securing the payments on the Certificates.
- Assets can be substituted as needed.



Anticipated Financing Timeline

Milestones	Dates*
● Introduction of the COP Ordinance to the Board of Supervisors	June 25, 2024
● Capital Planning Committee Hearing	July 22, 2024
● Introduction of Supplemental Appropriation Ordinance and MTA Contract Resolution	July 30, 2024
● Budget and Finance Committee Hearing for COP Ordinance	July 31, 2024
● Board Consideration of the COP Ordinance (1 st Reading)	September 3, 2024
● Budget and Finance Committee Hearing for Supplemental Appropriation Ordinance and MTA Contract Amendment Resolution	September 4, 2024
● Final Board Consideration of COP Ordinance (2 nd Reading) and MTA Contract Resolution; Board Consideration of the Appropriation Ordinance (1 st Reading)	September 10, 2024
● Final Board Approval of the Appropriation Ordinance (2 nd Reading)	September 17, 2024
● Sale and Closing of the COPs / Transfer of Garage to City	December 2024

**Please note that dates are estimated unless otherwise noted.*



Thank You!

